

**Personnel  
General Operations**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,013,600	5,112,400	4,373,900	2,429,300	1,309,400
Salary Compensation Fund	341,200				
<b>Total General Fund</b>	3,354,800	5,112,400	4,373,900	2,429,300	1,309,400
<b>Restricted Funds</b>					
Balance Forward	5,543,300	2,456,000	2,484,600	2,521,000	2,958,000
Current Receipts	13,076,700	17,152,000	17,154,000	17,152,200	17,154,000
Non-Revenue Receipts	1,048,300	2,604,700	2,108,400	2,604,700	2,108,400
Fund Transfers	-922,500				
<b>Total Restricted Funds</b>	18,745,800	22,212,700	21,747,000	22,277,900	22,220,400
<b>TOTAL SOURCE OF FUNDS</b>	22,100,600	27,325,100	26,120,900	24,707,200	23,529,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	13,923,900	18,492,900	18,605,200	15,511,100	15,728,300
Operating Expenses	5,550,800	6,254,300	6,393,800	6,144,800	6,290,000
Capital Outlay	104,900	93,300	76,300	93,300	76,300
<b>TOTAL EXPENDITURES</b>	19,579,600	24,840,500	25,075,300	21,749,200	22,094,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,354,800	5,112,400	4,373,900	2,429,300	1,309,400
Restricted Funds	16,224,800	19,728,100	20,701,400	19,319,900	20,785,200
<b>TOTAL EXPENDITURES</b>	19,579,600	24,840,500	25,075,300	21,749,200	22,094,600
<b>EXPENDITURES BY UNIT</b>					
General Administration	2,669,800	3,315,700	3,225,500	2,648,500	2,653,600
Employee & Organizational Development	1,452,800	1,944,100	2,041,500	1,567,600	1,589,700
Employee Relations	1,440,900	1,644,300	1,783,900	1,515,100	1,597,400
Employee Insurance	6,933,500	8,662,500	8,914,000	8,154,000	8,221,300
Personnel Administration	7,082,600	9,273,900	9,110,400	7,864,000	8,032,600
<b>TOTAL EXPENDITURES</b>	19,579,600	24,840,500	25,075,300	21,749,200	22,094,600

Executive Order 2005-891 reorganized the Personnel Cabinet, including the General Operations appropriation unit. The General Operations unit includes two departments and eight offices: the Department for Personnel Administration and the Department for Employee Insurance; the Office of the Secretary, the Office of Administrative Services, the Office of Legal Services, the Office of Employee Relations, the Office of Employee and Organizational Development, the Office of Human Resources Planning and Diversity, the Office of Communications, and the Office of Merit System Referral, now defunct by testimony of the Personnel Cabinet Secretary..

The Secretary of the Personnel Cabinet provides policy and management support to the departments and offices of the Cabinet, promulgates administrative regulations, advises the Personnel Board on matters pertaining to the classified service, and conducts investigations on all matters relating to personnel statutes and regulations. Reporting to the Secretary are all department heads and office heads within the Cabinet.

The Department of Personnel Administration consists of three divisions: the Division of Employee Management, the Division of Staffing Services, and the Division of Human Resources Projects. The responsibilities of this department include recruiting, counseling, testing, and certifying persons for employment with the Commonwealth; maintaining the classification

and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records; and coordinating and implementing employee performance evaluation systems. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Personnel Administration. The defunct Office of Merit System Referral was organized under this department.

The Department of Employee Insurance manages health insurance coverage for state employees, local boards of education, local health departments, and other public and quasi-public agencies. It manages the Commonwealth Choice 125 benefit program for state employees and provides administrative support for the Group Health Insurance Board under KRS 18A.226 and 18A.227. There are three divisions organized under the department: the Division of Insurance Administration, the Division of Financial and Data Services, and the Division of Special Programs.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, accounting, property management, and procurement functions.

The Office of Legal Services provides all legal services relating to the enforcement and application of state and federal laws and regulations governing employment to the Cabinet and executive branch agencies upon request.

The Office of Communications is responsible for publishing the Commonwealth Communiqué Newsletter and manages the Cabinet's communications with employees.

The Office of Employee and Organizational Development, formerly the Office of Government Training, is responsible for government wide training, consultation, and organization development, including the coordination of the Commonwealth's strategic planning and performance measurement processes.

The Office of Human Resources Planning and Diversity contains two divisions: the Division of Diversity Relations and the Division of Workforce Analytics. This office is responsible for the administration of the Commonwealth's Affirmative Action Plan and analyzing and developing a workforce planning mechanism for addressing trends in the workplace.

The Office of Employee Relations program includes two divisions, the Division of Employee Benefits and the Division of Employee Services and Recognition. The program administers the Kentucky Employee Assistance Program (which provides assistance to troubled employees), life insurance benefits for state employees, the employee suggestion system, a mediation program to help resolve employment problems, the state safety program, and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, most regional universities, volunteer firemen, volunteer ambulance personnel, and various local government entities.

## **Policy**

The Executive Budget provides funds totaling \$1,705,000 in fiscal year 2007 (\$353,700 in General Fund and \$1,351,300 in Restricted Funds) and \$1,799,100 in fiscal year 2008 (\$362,200 in General Fund and \$1,436,900 in Restricted Funds) to support the personnel costs for 32 full time positions which will primarily support the self-insured health insurance program and the development and implementation of the Human Resources Information System authorized by the 2005 Regular Session of the General Assembly.

In fiscal year 2007, the Executive Budget provides General Fund of \$250,000 to support an Equal Employment Opportunity (EEO) Disparity Study and update the Commonwealth's Affirmative Action Plan.